



4004

**ANNUAL REPORT**

OF

Name: STATE LONG DISTANCE TELEPHONE COMPANY

Principal Office: 216 W WALWORTH ST  
P.O. BOX 230  
ELKHORN, WI 53121-0230

For the Year Ended: DECEMBER 31, 1998

TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## **GENERAL RULES FOR REPORTING**

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

## SIGNATURE PAGE

I JERRY GUETSCHOW of  
(Person responsible for accounts)

STATE LONG DISTANCE TELEPHONE COMPANY, certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

JERRY GUETSCHOW 04/15/1999  
(Person responsible for accounts) (Date)

ASSISTANT TREASURER  
(Title)

**TABLE OF CONTENTS**

<b>Schedule Name</b>	<b>Page</b>
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Statement of Cash Flows	12
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Accounts Receivable Net Write Offs - Telecommunications	17
Notes Receivable (Acct. 1200) and Allowances (Acct. 1201)	18
Investments in Nonaffiliated Companies (Acct. 1402)	19
Nonregulated Investments (Acct. 1406)	20
Deferred Maintenance and Retirements (Acct. 1438)	21
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Notes Payable (Acct. 4020)	32
Long-Term Debt	33
Capital Stock Accounts at End of Year	35
Retained Earnings (Acct. 4550)	37
Distribution of Taxes	38
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expense Matrix - Class A & B	41
Calculation of Assessable Revenues for Remainder, DOJ, and Tele. Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts (Class B Use Accounts Designated By *)	44
Nonregulated Net Income (Acct. 7990)	45
Distribution of Salaries and Wages	46
Employee Data	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50

## TABLE OF CONTENTS

Schedule Name	Page
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Feature Group B</b>	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
<b>Feature Group C</b>	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
<b>Feature Group D</b>	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
<b>FX-IN</b>	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
<b>FX-OUT</b>	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
<b>Host Switching System</b>	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>



## ABBREVIATIONS USED IN ANNUAL REPORTS

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
 <b>CO</b>	 .....	 Central Office
 <b>Depr</b>	 .....	 Depreciation
 <b>Equip</b>	 .....	 Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
 <b>FOY</b>	 .....	 First of Year
 <b>Info</b>	 .....	 Information
<b>ITC</b>	.....	Investment Tax Credit
 <b>Misc</b>	 .....	 Miscellaneous
 <b>Nonoper</b>	 .....	 Nonoperating
<b>Nonreg</b>	.....	Nonregulated
 <b>Oper</b>	 .....	 Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
 <b>Prop</b>	 .....	 Property
 <b>Receiv</b>	 .....	 Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
 <b>Svcs</b>	 .....	 Services
 <b>Telecom</b>	 .....	 Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
 <b>Uncoll</b>	 .....	 Uncollectible

## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** STATE LONG DISTANCE TELEPHONE COMPANY  
**Utility Location:** 216 W WALWORTH ST  
P.O. BOX 230  
ELKHORN, WI 53121-0230

**Utility Web Site Address:**

**When was utility organized?:** 10/01/1900

**Report any change in name and the effective date:**

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**Officer in charge of correspondence concerning this report**

**Name:** MR JERRY GUETSCHOW  
**Title:** ASSISTANT TREASURER

**Office Address:** 216 W WALWORTH ST  
P.O. BOX 230  
ELKHORN, WI 53121

**Fax Number:** (414) 723 - 8387  
**Telephone Number:** (414) 741 - 1129  
**Email Address:** jgetch@elknet.net

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**Individual or firm, if other than utility employee, preparing this report**

**Name:**  
**Title:**

**Office Address:**

**Fax Number:**  
**Telephone Number:**  
**Email Address:**

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**Person responsible for financial information contained in report**

**Name:** MR JERRY GUETSCHOW  
**Title:** ASSISTANT TREASURER

**Office Address:** 216 W WALWORTH ST  
P.O. BOX 230  
ELKHORN, WI 53121

**Fax Number:** (414) 723 - 8387  
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**Email Address:** jgetch@elknet.net

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**Person responsible for statistical information contained in report**

**Name:** MR JERRY GUETSCHOW  
**Title:** ASSISTANT TREASURER

**Office Address:** 216 W WALWORTH ST  
P.O. BOX 230  
ELKHORN, WI 53121

**Fax Number:** (414) 723 - 8387  
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## IDENTIFICATION AND OWNERSHIP

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List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

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<b>Name:</b>	STATE LONG DISTANCE TELCOM, LTD
<b>Address:</b>	216 W WALWORTH ST PO BOX 230 ELKHORN, WI 53121
<b>Number of Shares Held:</b>	12,000
<b>Beneficial Owner:</b>	NONE

**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues (5000-5300)	6,107,770	5,633,545	<b>1</b>
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	749,221	703,967	<b>2</b>
Plant Nonspecific Operations Expense	1,970,980	1,638,690	<b>3</b>
Customer Operations Expense (6610-6620)	889,745	897,368	<b>4</b>
Corporate Operations Expense (6710-6790)	790,342	793,410	<b>5</b>
Other Operating Income and Expense (7100)	0	0	<b>6</b>
Operating Taxes (7200)	884,174	825,940	<b>7</b>
<b>Total Operating Expenses</b>	<b>5,284,462</b>	<b>4,859,375</b>	<b>8</b>
<b>Net Operating Income</b>	<b>823,308</b>	<b>774,170</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	144,566	102,359	<b>10</b>
Nonoperating Taxes (7400)	16,427	4,723	<b>11</b>
Interest and Related Items (7500)	10	0	<b>12</b>
Extraordinary Items (7600)	0	0	<b>13</b>
Nonregulated Net Income (7990)	85,936	(15,384)	<b>14</b>
<b>Total Nonoperating Income</b>	<b>214,065</b>	<b>82,252</b>	<b>15</b>
<b>Net Income</b>	<b>1,037,373</b>	<b>856,422</b>	<b>16</b>

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- 
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

**See the General Footnotes on Page # 56.**

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

**See the General Footnotes on Page # 56.**

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

**See the General Footnotes on Page # 56.**

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	2,200,081	1,388,180	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>2,200,081</b>	<b>1,388,180</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	325,116	337,845	6
Accounts Receivable Allowance-Telecom (1181)*	2,000	2,000	7
<b>Net: Telecommunications Accounts Receivable</b>	<b>323,116</b>	<b>335,845</b>	
Other Accounts Receivable (1190)*	373,790	335,893	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>373,790</b>	<b>335,893</b>	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*	4,378	4,281	12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>701,284</b>	<b>676,019</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	90,481	68,936	13
<b>TOTAL SUPPLIES</b>	<b>90,481</b>	<b>68,936</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*	76,263	77,113	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
<b>TOTAL PREPAYMENTS</b>	<b>76,263</b>	<b>77,113</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	0	0	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>3,068,109</b>	<b>2,210,248</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	1,506,930	1,262,431	22
Nonregulated Investments (1406)*	111,682	60,931	23
Unamortized Debt Issuance Expense (1407)*	0	0	24
Sinking Funds (1408)*	0	0	25

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410)*	0	12,936	26
<b>TOTAL INVESTMENTS</b>	<b>1,618,612</b>	<b>1,336,298</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	0	0	29
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,618,612</b>	<b>1,336,298</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	14,937,802	14,550,504	30
Less: Accumulated Depreciation (3100)*	8,217,908	7,100,713	31
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	32
Less: Accumulated Amortization--Leasehold Improvements (3420)*	13,931	11,049	33
Less: Accumulated Amortization--Intangible (3500)*	0	0	34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>6,705,963</b>	<b>7,438,742</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*	0	0	35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*	0	0	37
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	567,550	222,868	39
<b>TOTAL TPUC</b>	<b>567,550</b>	<b>222,868</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*	0	0	40
Less: Accumulated Amortization--Other (3600)*	0	0	41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>7,273,513</b>	<b>7,661,610</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>11,960,234</b>	<b>11,208,156</b>	

**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	383,879	343,633	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	165,852	27,632	3
Customer Deposits (4040)*	115	245	4
Current Maturities--Long-Term Debt (4050)*	0	0	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	1,333	40,683	7
Other Taxes--Accrued (4080)*	(52,013)	(67,017)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	90,457	4,354	11
Other Current Liabilities (4130)*	0	0	12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>589,623</b>	<b>349,530</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	0	0	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>0</b>	<b>0</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	312,416	291,354	20
Unamortized Operating ITC--Net (4320)*	26,657	39,662	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	616,504	821,943	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	0	0	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	209,415	209,415	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>1,164,992</b>	<b>1,362,374</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	1,200,000	1,200,000	28
Additional Paid-in Capital (4520)*	115,105	115,105	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	8,890,514	8,181,147	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>10,205,619</b>	<b>9,496,252</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>11,960,234</b>	<b>11,208,156</b>	



**STATEMENT OF CASH FLOWS**

Item (a)	Amount (b)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	1,037,373	1
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	1,412,013	2
Interest during construction	0	3
<b>Changes in assets and liabilities:</b>		
Current assets (net)	(45,960)	4
Other noncurrent assets	12,936	5
Other current liabilities	240,093	6
Other liabilities and deferred credits	(197,382)	7
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>1,421,700</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>2,459,073</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(1,023,916)	8
Investments in affiliated companies	0	9
Nonoperating Investments	(295,250)	10
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(1,319,166)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	0	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(381,000)	15
Miscellaneous debits/credits to retained earnings	52,994	16
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>(328,006)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>811,901</b>	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

## IMPORTANT CHANGES DURING THE YEAR

- 
1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

**None**

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2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

**None**

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3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

**None**

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4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

**None**

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5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

**None**

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6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

**None**

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7. Changes in articles of incorporation or amendments to charter.

**None**

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8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

**None**

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## AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
SLD Services, Ltd	SERVICES	1
State Long Distance Telecom, Ltd	TELCOM	2
SLD Broadcasting, Ltd	WSLD	3

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

<b>Particulars</b> <b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
Docket	None	5680-AT-000100	5680-AT-000103	None	
Name of Affiliate	SERVICES	SERVICES	TELCOM	WSLD	1
Designate whether billed to or from:	FROM	TO	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	CT	C	M	3
Revenues					4
<b>Expenses:</b>					
Plant Specific Operations Expense					5
Plant Nonspecific Operations Expense					6
Customer Operations Expense					7
Corporate Operations Expense					8
<b>Total Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Other:</b>					
Plant Accounts					10
Accumulated Depreciation					11
Accumulated Amortization					12
Clearing					13
All Other	11,109	562,615	3,513	7,320	14
<b>Total</b>	<b>11,109</b>	<b>562,615</b>	<b>3,513</b>	<b>7,320</b>	<b>15</b>
Percent of affiliate's business billed to all affiliated regulated utilities	1.01			1.68	16
If cost based, rate of return on equity or markup incorporated in billings					17
Footnotes					

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

<b>Particulars</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
Docket		5680-AT-000101				
Name of Affiliate		WSLD				1
Designate whether billed to or from:		TO				2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		CT				3
Revenues						4
<b>Expenses:</b>						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
<b>Total Operating Expenses</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	9
<b>Other:</b>						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other		20,168				14
<b>Total</b>		<b>20,168</b>	<b>0</b>	<b>0</b>	<b>0</b>	15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings						17
Footnotes						

## AFFILIATED ASSETS AND LIABILITIES

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

Name of Affiliate (a)	Account Number (b)	Balance EOY (c)	
SLD Services, Ltd	1190	44,670	1
State Long Distance Telcom, Ltd	1190	871	2
SLD Broadcasting, Ltd	1190	206	3

## ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS

This schedule should be used to report accounts receivable net write off activity.

Particulars (a)	Amount (b)	
Collection of amounts previously written off	8,700	1
Uncollectibles written off during the year	10,925	2
<b>Net write offs during the year</b>	<b><u>2,225</u></b>	

# **NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)**

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

<b>Name of Maker and purpose (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Amount EOY (e)</b>	<b>Allowance Acct. 1201 (f)</b>
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NONE

<b>Total</b>				<u><u>0</u></u>	<u><u>0</u></u>	<b>1</b>
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## INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)

Name (a)	Balance EOY (b)	
RTB Stock	0	1
<b>Other:</b>		
AT&T	23,587	2
Ameritech	154,232	3
Lucent Technologies	20,564	4
Access Wisconsin	60,700	5
Consumers Cooperative	270	6
EAHP II Partnership	117,960	7
Cash Surrender Value - Officers Life Insurance	445,000	8
Investments Held to Maturity	684,617	9
<b>Total Investments in Nonaffiliated Companies</b>	<b>1,506,930</b>	

## NONREGULATED INVESTMENTS (ACCT. 1406)

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

Name (a)	Balance EOY (b)	
<hr/>		
<b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b>		
Nonregulated Equipment - Net	111,682	1

### DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)	
None	0	1
<b>Total</b>	<b>0</b>	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	77,506		1
Motor Vehicles	2112	467,802	34,802	2 A
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	314,643	18,181	6 A
Buildings	2121	578,553		7
Furniture	2122	75,514		8
Office Equipment	2123	130,045	0	9 A
General Purpose Computers	2124	330,200	38,200	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>1,974,263</b>	<b>91,183</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	3,696,334	30,239	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,749,411	154,222	16 A
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>5,445,745</b>	<b>184,461</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	253		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>253</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	17,394		22
Aerial Cable	2421	371,560	21,829	23 A
Underground Cable	2422	697,633	758	24 A
Buried Cable	2423	5,242,831	395,663	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	5,116		29
Conduit Systems	2441	781,297		30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>7,115,831</b>	<b>418,250</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111			77,506	1
2112	35,835	1	466,770	2 A
2113			0	3
2114			0	4
2115			0	5
2116	100,285	(1)	232,538	6 A
2121			578,553	7
2122	53,045		22,469	8
2123	59,970	(1)	70,074	9 A
2124	4,911		363,489	10
	<b>254,046</b>	<b>(1)</b>	<b>1,811,399</b>	
2211			0	11
2212	7,220	(50,786)	3,668,567	12 A
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	50,786	1,954,419	16 A
	<b>7,220</b>	<b>0</b>	<b>5,622,986</b>	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			253	21
	<b>0</b>	<b>0</b>	<b>253</b>	
2411			17,394	22
2421	8,020	1	385,370	23 A
2422	0	1	698,392	24 A
2423	37,311	0	5,601,183	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			5,116	29
2441			781,297	30
	<b>45,331</b>	<b>2</b>	<b>7,488,752</b>	
2681			0	31

## TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
<b>AMORTIZABLE ASSETS</b>				
Leasehold Improvements	2682	14,412		<b>32</b>
Intangibles	2690	0		<b>33</b>
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>14,412</b>	<b>0</b>	
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>14,550,504</b>	<b>693,894</b>	
Less: Allocation to Nonregulated Activity - EOY	2001			<b>34</b>
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>			

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			14,412	32
2690			0	33
	0	0	14,412	
	306,597	1	14,937,802	
2001			0	34
			14,937,802	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	65,248		<b>1 A</b>
Company Communications Equipment	2123.2	64,797		<b>2</b>
Software	2212.1	0		<b>3</b>
Digital Switching - Central Office	2212.2	3,696,334	30,239	<b>4 A</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	1,108,829	104,384	<b>10 A</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	640,582	49,838	<b>12 A</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	371,560	21,829	<b>14 A</b>
Underground Cable - Nonmetallic	2422.1	215,571		<b>15</b>
Underground Cable - Metallic	2422.2	482,062	758	<b>16 A</b>
Buried Cable - Nonmetallic	2423.1	423,704	7,933	<b>17</b>
Buried Cable - Metallic	2423.2	4,819,127	387,730	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).



**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**  
**(cont.)**

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1	11,345	(1)	53,902	1 A
2123.2	48,625		16,172	2
2212.1			0	3
2212.2	7,220	(50,786)	3,668,567	4 A
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1		17,549	1,230,762	10 A
2232.2			0	11
2232.3		33,237	723,657	12 A
2421.1			0	13
2421.2	8,020	1	385,370	14 A
2422.1			215,571	15
2422.2		1	482,821	16 A
2423.1			431,637	17
2423.2	37,311		5,169,546	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
<b>GENERAL SUPPORT ASSETS</b>						
Motor Vehicles	2112	304,434	.0	54,692		1 A
Aircraft	2113	0				2
Special Purpose Vehicles	2114	0				3
Garage Work Equipment	2115	0				4
Other Work Equipment	2116	214,144	.0	18,148	5,406	5
Buildings	2121	286,626	3.0	17,357		6
Furniture	2122	40,410	7.69	1,063	3,353	7
Office Equipment	2123	55,616	.0	9,950	6,684	8 A
General Purpose Computers	2124	279,375	20.0	44,489	619	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>1,180,605</b>		<b>145,699</b>	<b>16,062</b>	
<b>CENTRAL OFFICE ASSETS</b>						
Analog Electronic Switching	2211	0				10
Digital Electronic Switching	2212	2,325,370	16.0	742,646		11 A
Electro-Mechanical Switching	2215	0				12
Operator Systems	2220	0				13
Radio Systems	2231	0				14
Circuit Equipment	2232	729,897	.0	186,575		15 A
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>3,055,267</b>		<b>929,221</b>	<b>0</b>	
<b>INFORMATION ORIG/TERM ASSETS</b>						
Station Apparatus	2311	0				16
Customer Premises Wiring	2321	0				17
Large Private Branch Exchanges	2341	0				18
Public Telephone Terminal Equipment	2351	0				19
Other Terminal Equipment	2362	226	14.29	18		20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>226</b>		<b>18</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>						
Poles	2411	17,394	7.5	0		21
Aerial Cable	2421	171,713	.0	19,362		22 A
Underground Cable	2422	282,543	.0	30,645		23 A
Buried Cable	2423	2,183,636	.0	257,150		24 A
Submarine Cable	2424	0				25
Deep Sea Cable	2425	0				26
Intrabuilding Network Cable	2426	0				27
Aerial Wire	2431	5,116	11.0	0		28

## ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	204,213	3.5	27,345	29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>2,864,615</b>		<b>334,502</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>7,100,713</b>		<b>1,409,440</b>	<b>16,062</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
<b>Net Regulated Total Accum Depreciation - 3100</b> <b>Columns e, f and I</b>					

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2112	35,835		1,000	1	324,292	1 A
2113					0	2
2114					0	3
2115					0	4
2116	100,285				137,413	5
2121					303,983	6
2122	53,045				(8,219)	7
2123	59,970			(1)	12,279	8 A
2124	4,911				319,572	9
	<b>254,046</b>	<b>0</b>	<b>1,000</b>	<b>0</b>	<b>1,089,320</b>	
2211					0	10
2212	7,220			(22,416)	3,038,380	11 A
2215	0				0	12
2220					0	13
2231	0				0	14
2232	0			22,416	938,888	15 A
	<b>7,220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,977,268</b>	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					244	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>244</b>	
2411					17,394	21
2421	8,020	2,383		1	180,673	22 A
2422	0			(1)	313,187	23 A
2423	37,311	328		1	2,403,148	24 A
2424	0				0	25
2425					0	26
2426	0				0	27
2431					5,116	28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					231,558	29
	45,331	2,711	0	1	3,151,076	
<b>3100</b>	<b>306,597</b>	<b>2,711</b>	<b>1,000</b>	<b>1</b>	<b>8,217,908</b>	
3100						30
<b>3100</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
Office Support Equipment	2123.1	29,562	12.5	6,722	762	1 A
Company Communications Equipment	2123.2	26,054	14.29	3,228	5,922	2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	2,325,370	16.0	742,646		4 A
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	606,242	10.0	116,701		10 A
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	123,655	10.0	69,874		12 A
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	171,713	5.5	19,362		14 A
Underground Cable - Nonmetallic	2422.1	25,296	5.0	10,779		15 A
Underground Cable - Metallic	2422.2	257,247	5.0	19,866		16
Buried Cable - Nonmetallic	2423.1	41,645	5.0	21,383		17
Buried Cable - Metallic	2423.2	2,141,991	5.0	235,767		18 A
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	0				22

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1	11,345			(1)	<b>25,700</b>	<b>1 A</b>
2123.2	48,625				<b>(13,421)</b>	<b>2</b>
2212.1					<b>0</b>	<b>3</b>
2212.2	7,220			(22,416)	<b>3,038,380</b>	<b>4 A</b>
2212.3					<b>0</b>	<b>5</b>
2215.1					<b>0</b>	<b>6</b>
2215.2					<b>0</b>	<b>7</b>
2231.1					<b>0</b>	<b>8</b>
2231.2					<b>0</b>	<b>9</b>
2232.1				17,304	<b>740,247</b>	<b>10 A</b>
2232.2					<b>0</b>	<b>11</b>
2232.3				5,112	<b>198,641</b>	<b>12 A</b>
2421.1					<b>0</b>	<b>13</b>
2421.2	8,020	2,383		1	<b>180,673</b>	<b>14 A</b>
2422.1				(1)	<b>36,074</b>	<b>15 A</b>
2422.2					<b>277,113</b>	<b>16</b>
2423.1					<b>63,028</b>	<b>17</b>
2423.2	37,311	328		1	<b>2,340,120</b>	<b>18 A</b>
2424.1					<b>0</b>	<b>19</b>
2424.2					<b>0</b>	<b>20</b>
2426.1					<b>0</b>	<b>21</b>
2426.2					<b>0</b>	<b>22</b>

**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)**

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ( ).

<b>Particulars (a)</b>	<b>Balance FOY (b)</b>	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350)	0	<b>1</b>
Other Noncurrent Assets (1410)	0	<b>2</b>
Deferred Tax Regulatory Asset (1437)	0	<b>3</b>
Net Current Deferred Operating Income Taxes (4100)	0	<b>4</b>
Net Noncurrent Deferred Operating Income Taxes (4340)	(953,162)	<b>5 G</b>
Net Deferred Tax Liability Adjustments (4341)	0	<b>6</b>
Deferred Tax Regulatory Liability (4361)	0	<b>7</b>
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(953,162)</b>	
Less: Allocation to Nonregulated Activity	0	<b>8</b>
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(953,162)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350)	0	<b>9</b>
Other Noncurrent Assets (1410)	0	<b>10</b>
Deferred Tax Regulatory Asset (1437)	0	<b>11</b>
Net Current Deferred Operating Income Taxes (4100)	0	<b>12</b>
Net Noncurrent Deferred Operating Income Taxes (4340)	131,219	<b>13 G</b>
Net Deferred Tax Liability Adjustments (4341)	0	<b>14</b>
Deferred Tax Regulatory Liability (4361)	(209,415)	<b>15</b>
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>(78,196)</b>	



**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)**

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250			184,726	(768,436)	5 G
				0	6
				0	7
	0	0	184,726	(768,436)	
				0	8
	0	0	184,726	(768,436)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250			20,713	151,932	13 G
				0	14
				(209,415)	15
	0	0	20,713	(57,483)	

### NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

<b>Name (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Balance EOY (e)</b>
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NONE

<b>Total Notes Payable</b>	<u><u>0</u></u>	<b>1</b>
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## LONG-TERM DEBT

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

Description of Debt (a)	Specific or Range of Stated Dates of Issue (b)	Specific or Range of Stated Dates of Maturity (c)	Specific or Range of Interest Rates (d)
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NONE

## LONG-TERM DEBT (cont.)

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)			

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0                      1

## CAPITAL STOCK ACCOUNTS AT END OF YEAR

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

Class and Series (a)	Shares Authorized by Charter (b)	Par Value per Share (c)	Call Price End of Year (d)
<b>COMMON STOCK:</b>			
Common Stock	15,000	100.00	1
<b>TOTAL COMMON STOCK</b>	<b>15,000</b>		
<b>PREFERRED STOCK:</b>			
Preferred Stock	0	.00	2
<b>TOTAL PREFERRED STOCK</b>	<b>0</b>		
<b>TOTAL</b>	<b><u>15,000</u></b>		

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

	<b>Acct. 4510 - Capital Stock</b>		<b>Acct. 4530 - Treasury Stock</b>		
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	
	<b>(e)</b>	<b>(f)</b>	<b>(g)</b>	<b>(h)</b>	
<b>COMMON STOCK:</b>					
Common Stock	12,000	1,200,000	0	0	1
	<b>12,000</b>	<b>1,200,000</b>	<b>0</b>	<b>0</b>	
<b>PREFERRED STOCK:</b>					
Preferred Stock	0	0	0	0	2
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b>12,000</b>	<b>1,200,000</b>	<b>0</b>	<b>0</b>	

### RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	8,181,147	7,689,821	1
<b>Changes:</b>			
Balance Transferred from Income	1,037,373	856,422	2
<b>Dividends Declared:</b>			
Common	381,000	381,000	3
Preferred	0		4
<b>Total Dividends Declared</b>	<b>381,000</b>	<b>381,000</b>	
Miscellaneous Debits to Retained Earnings			5
Miscellaneous Credits to Retained Earnings	52,994	15,904	6
<b>Balance--End of Year</b>	<b><u>8,890,514</u></b>	<b><u>8,181,147</u></b>	

**DISTRIBUTION OF TAXES**

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

<b>Summary Account/ Function Charged (a)</b>	<b>Wisconsin License Fee (b)</b>	<b>Wisconsin Income Tax (c)</b>	<b>Federal Income Tax (d)</b>	
Operating Taxes (Accts. 7210 - 7250)	352,418	109,890	414,345	<b>1</b>
Nonoperating Taxes (Accts. 7410 - 7450)		10,557	5,870	<b>2</b>
Extraordinary Items (Accts. 7630 & 7640)				<b>3</b>
Nonregulated Net Income (Acct. 7990)		12,770	45,024	<b>4</b>
Clearing Accounts				<b>5</b>
Construction				<b>6</b>
Payroll Taxes: FICA				<b>7</b>
Payroll Taxes: State Unemployment				<b>8</b>
Payroll Taxes: Federal Unemployment				<b>9</b>
<b>Other (specify):</b>				
<b>TOTAL</b>	<b><u>352,418</u></b>	<b><u>133,217</u></b>	<b><u>465,239</u></b>	



### DISTRIBUTION OF TAXES (cont.)

<b>PSC Remainder Assessment (e)</b>	<b>Local Property Tax (f)</b>	<b>State &amp; Local Taxes Other than Wisconsin (g)</b>	<b>Other Taxes (h)</b>	<b>Payroll Taxes (i)</b>	<b>Total (j)</b>	
7,202			318		884,173	1
					16,427	2
					0	3
					57,794	4
					0	5
					0	6
				122,680	122,680	7
				1,409	1,409	8
				2,728	2,728	9
<b>7,202</b>	<b>0</b>	<b>0</b>	<b>318</b>	<b>126,817</b>	<b>1,085,211</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	1,714,218	1,411,007	<b>1 F</b>
Basic Area Revenue (5001)			<b>2</b>
Optional Extended Area Revenue (5002)			<b>3</b>
Cellular Mobile Revenue (5003)			<b>4</b>
Other Mobile Services Revenue (5004)			<b>5</b>
Public Telephone Revenue (5010)			<b>6</b>
Local Private Line Revenue (5040)			<b>7</b>
Customer Premises Revenue (5050)			<b>8</b>
Other Local Exchange Revenue (5060)			<b>9</b>
Other Local Exchange Revenue Settlements (5069)			<b>10</b>
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>1,714,218</b>	<b>1,411,007</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	466,716	435,424	<b>11</b>
Switched Access Revenue (5082)*	1,413,715	1,456,197	<b>12</b>
Special Access Revenue (5083)*	116,566	107,620	<b>13</b>
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>1,996,997</b>	<b>1,999,241</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*	0		<b>14</b>
Switched Access Revenue (5084.2)*	1,405,820	1,249,259	<b>15</b>
Special Access Revenue (5084.3)*	178,967	187,003	<b>16</b>
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>1,584,787</b>	<b>1,436,262</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*			<b>17</b>
Long Distance Inward-Only Revenue (5111)			<b>18</b>
Long Distance Outward-Only Revenue (5112)			<b>19</b>
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121)			<b>20</b>
Voice Grade Revenue (5122)			<b>21</b>
Audio Program Grade Revenue (5123)			<b>22</b>
Video Program Grade Revenue (5124)			<b>23</b>
Digital Transmission Revenue (5125)			<b>24</b>
Switching Revenue (5126)			<b>25</b>
Other Revenue (5128)			<b>26</b>
Other Revenue Settlements (5129)			<b>27</b>
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160)			<b>28</b>
Other Long Distance Revenue Settlements (5169)			<b>29</b>
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230)*	555,318	530,829	<b>30</b>
Rent Revenue (5240)*	492	450	<b>31</b>
Corporate Operations Revenue (5250)*	0		<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260)*	18,444	14,631	<b>33</b>
Special Billing Arrangements Revenue (5261)			<b>34</b>
Customer Operations Revenue (5262)			<b>35</b>
Plant Operations Revenue (5263)			<b>36</b>
Other Incidental Regulated Revenue (5264)			<b>37</b>
Other Revenue Settlements (5269)			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>18,444</b>	<b>14,631</b>	
Interstate Billing and Collection Revenue*	98,079	111,033	<b>39</b>
Intrastate Billing and Collection Revenue*	141,660	131,899	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>239,739</b>	<b>242,932</b>	
Nonregulated Operating Revenue (5280)**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>813,993</b>	<b>788,842</b>	
<b>GROSS OPERATING REVENUES</b>	<b>6,109,995</b>	<b>5,635,352</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	2,225	1,807	<b>42</b>
Uncollectible Revenue--Telecommunications (5301)			<b>43</b>
Uncollectible Revenue--Other (5302)			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>2,225</b>	<b>1,807</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>6,107,770</b>	<b>5,633,545</b>	

\*\* Account 5280 is to be used only by those companies subject to dual jurisdiction.

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Total Network Support Expense ( 6110 )	53,981	53,086		1
Less: Nonregulated	0	0		2
<b>Net Regulated</b>	<b>53,981</b>	<b>53,086</b>	<b>0</b>	<b>3</b>
Total General Support Expense ( 6120 )	115,713	105,375		4
Less: Nonregulated	0	0		5
<b>Net Regulated</b>	<b>115,713</b>	<b>105,375</b>	<b>0</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	195,564	211,843		7
Less: Nonregulated	0	0		8
<b>Net Regulated</b>	<b>195,564</b>	<b>211,843</b>	<b>0</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0		10
Less: Nonregulated	0	0		11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	27,508	22,792		13
Less: Nonregulated	0	0		14
<b>Net Regulated</b>	<b>27,508</b>	<b>22,792</b>	<b>0</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	1,710	0		16
Less: Nonregulated	0	0		17
<b>Net Regulated</b>	<b>1,710</b>	<b>0</b>	<b>0</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	309,491	356,125		19
Less: Nonregulated	0	0		20
<b>Net Regulated</b>	<b>309,491</b>	<b>356,125</b>	<b>0</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>703,967</b>	<b>749,221</b>	<b>0</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>703,967</b>	<b>749,221</b>	<b>0</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>				
Total Other Property, Plant and Equip. Exp. ( 6510 )	0	0	0	22
Less: Nonregulated	0	0		23
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	416,756	503,762		25
Less: Nonregulated	0	0		26 B
<b>Net Regulated</b>	<b>416,756</b>	<b>503,762</b>	<b>0</b>	<b>27</b>
Access Expense ( 6540 )	17,373	55,205		28
Less: Nonregulated	0	0		29 c
<b>Net Regulated</b>	<b>17,373</b>	<b>55,205</b>	<b>0</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	1,204,561	1,412,013		31
Less: Nonregulated	0	0		32
<b>Net Regulated</b>	<b>1,204,561</b>	<b>1,412,013</b>		<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>1,638,690</b>	<b>1,970,980</b>	<b>0</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>1,638,690</b>	<b>1,970,980</b>	<b>0</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6110			53,086		1
					2
	0	0	53,086	0	3
6120			105,375		4
					5
	0	0	105,375	0	6
6210			211,843		7
					8
	0	0	211,843	0	9
6220					10
					11
	0	0	0	0	12
6230			22,792		13
					14
	0	0	22,792	0	15
6310			0		16
					17
	0	0	0	0	18
6410			356,125		19
					20
	0	0	356,125	0	21
	0	0	749,221	0	
	0	0	0	0	
	0	0	749,221	0	
6510	0	0	0	0	22
					23
	0		0	0	24
6530			503,762		25
					26 B
	0	0	503,762	0	27
6540			55,205		28
					29 C
	0	0	55,205	0	30
6560			1,412,013		31
					32
			1,412,013		33
	0	0	1,970,980	0	
	0	0	0	0	
	0	0	1,970,980	0	

**EXPENSE MATRIX - CLASS A & B**

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries / Wages (d)
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	22,975	29,303	34
Less: Nonregulated	0	0	35 D
<b>Net Regulated</b>	<b>22,975</b>	<b>29,303</b>	<b>0 36</b>
Total Services ( 6620 )	874,393	860,442	37
Less: Nonregulated	0	0	38
<b>Net Regulated</b>	<b>874,393</b>	<b>860,442</b>	<b>0 39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>897,368</b>	<b>889,745</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>897,368</b>	<b>889,745</b>	<b>0</b>
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	414,565	429,777	40
Less: Nonregulated	0	0	41
<b>Net Regulated</b>	<b>414,565</b>	<b>429,777</b>	<b>0 42</b>
Total General and Administrative ( 6720 )	378,845	360,565	43
Less: Nonregulated	0	0	44
<b>Net Regulated</b>	<b>378,845</b>	<b>360,565</b>	<b>0 45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	46
Less: Nonregulated	0	0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>793,410</b>	<b>790,342</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>793,410</b>	<b>790,342</b>	<b>0</b>
<b>TOTAL EXPENSES</b>	<b>4,033,435</b>	<b>4,400,288</b>	<b>0</b>
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Regulated</b>	<b>4,033,435</b>	<b>4,400,288</b>	<b>0</b>

**EXPENSE MATRIX - CLASS A & B (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6610			29,303		34
	0	0	29,303	0	35 D 36
6620			860,442		37
	0		860,442	0	38 39
	0	0	889,745	0	
	0	0	0	0	
	0	0	889,745	0	
6710			429,777		40
	0		429,777	0	41 42
6720			360,565		43
	0		360,565	0	44 45
6790			0		46
			0		47
			0		48
	0	0	790,342	0	
	0	0	0	0	
	0	0	790,342	0	
	0	0	4,400,288	0	
	0	0	0	0	
	0	0	4,400,288	0	

### EXPENSE MATRIX - CLASS A & B ( DETAIL )

Particulars (a)	Total Last Year (b)	Total This Year (c)	Salaries/ Wages (d)	
Property Held for Future Tele. Use Exp. ( 6511 )	0	0		1
Provisioning Expense ( 6512 )	0	0		2
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	1,201,679	1,409,131		3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )	0	0		4
Amortization Expense--Tangible ( 6563 )	2,882	2,882		5
Amortization Expense--Intangible ( 6564 )	0	0		6
Amortization Expense--Other ( 6565 )	0	0		7
<b>Total: Reported in Account 6560</b>	<b>1,204,561</b>	<b>1,412,013</b>		



**EXPENSE MATRIX - CLASS A & B ( DETAIL ) (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511			0		1
6512			0		2
	0		0	0	
6561			1,409,131		3
6562					4
6563			2,882		5
6564					6
6565					7
			1,412,013		

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.**

Description (a)	This Year (b)	
Gross Operating Revenues	6,109,995	1
Plus: Collection of amounts previously written off	8,700	2
Less: Uncollectibles written off during the year	10,925	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b>		<b><u>6,107,770</u></b>

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,714,218	1
Plus: Total Intrastate Access Revenues (5084)	1,584,787	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>		<b><u>3,299,005</u></b>

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	6,109,995	1
Plus: Collection of amounts previously written off	8,700	2
Less: Uncollectibles written off during the year	10,925	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b><u>6,107,770</u></b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,714,218	1
Plus: Total Intrastate Access Revenues (5084)	1,584,787	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>3,299,005</u></b>	

**OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110)*	0	0	1
Return from Nonregulated Use of Regulated Facilities (7130)*	0	0	2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*	0	0	5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>0</b>	<b>0</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210)*	(13,005)	(15,528)	6
Operating Federal Income Taxes (7220)*	624,396	461,769	7
Operating State and Local Income Taxes (7230)*	153,864	110,737	8
Operating Other Taxes (7240)*	359,939	333,084	9
Provision for Deferred Operating Income Taxes--Net (7250)*	(241,020)	(64,122)	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>884,174</b>	<b>825,940</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310)*	7,596	2,935	11
Interest Income (7320)*	133,188	97,112	12
Income from Sinking and Other Funds (7330)*	0	0	13
Allowance for Funds Used During Construction (7340)*	0	0	14
Gains or (Losses) from the Disposition of Certain Property (7350)*	0	0	15
Other Nonoperating Income (7360)*	(8,692)	(1,142)	16
Special Charges (7370)*	(12,474)	(3,454)	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>144,566</b>	<b>102,359</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410)*	0	0	18
Nonoperating Federal Income Taxes (7420)*	5,870	(3,374)	19
Nonoperating State and Local Income Taxes (7430)*	10,557	8,097	20
Nonoperating Other Taxes (7440)*	0	0	21
Provision for Deferred Nonoperating Income Taxes--Net (7450)*	0	0	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>16,427</b>	<b>4,723</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510)*	0	0	23
Interest Expense--Capital Leases (7520)*	0	0	24
Amortization of Debt Issuance Expense (7530)*	0	0	25
Other Interest Deductions (7540)*	10	0	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>10</b>	<b>0</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600)*	0	0	27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)			30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)			31
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)*	85,936	(15,384)	32

### NONREGULATED NET INCOME (ACCT. 7990)

Particulars (a)	Amount (b)	
Revenues (Acct. 7990.1)		
Gross Sales	550,079	1
Less: Cost of Goods Sold		2
<b>Net Sales</b>	<b>550,079</b>	<b>3</b>
Expenses (Acct. 7990.2)	464,143	4
<b>Nonregulated Net Income</b>	<b><u>85,936</u></b>	<b>5</b>

List the type of nonregulated activities that company is involved in:

1. Internet Service Provider
2. Toll Resale (Branding)
3. Payphone Operations

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

## DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	0	1
Nonregulated Expense	0	2
Plant Accounts	0	3
Accumulated Depreciation Accounts	0	4
All Other Accounts	1,678,301	5
<b>Total Salaries and Wages</b>	<b>1,678,301</b>	<b>6</b>

## EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	3.00	3.00	266,190	1
Supervision and Other Management	9.00	9.00	454,502	2
Other Employees	33.00	30.00	957,609	3
<b>Total</b>	<b>45.00</b>	<b>42.00</b>	<b>1,678,301</b>	

## EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers	3.00	3.00	266,190	1
Supervision and Other Management	9.00	9.00	454,502	2
Other Employees	33.00	30.00	957,609	3
<b>Total</b>	<b>45.00</b>	<b>42.00</b>	<b>1,678,301</b>	

## TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange			1
Extended Area Service			2
Extended Community Calling			3
Other Local-Undefined			4
<b>Total Local</b>	<b>0</b>	<b>0</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA			5
Operator Handled: State--interLATA			6
Operator Handled: Interstate			7
Customer Dialed: State--intraLATA			8
Customer Dialed: State--interLATA			9
Customer Dialed: Interstate			10
WATS			11
Other Toll-Undefined			12
<b>Total Toll</b>	<b>0</b>	<b>0</b>	
<b>Total Local &amp; Toll</b>	<b>0</b>	<b>0</b>	



## ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	36	0	0	0	1
Feature Group A -- Term.	0	0	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	18	2	0	0	4
Feature Group C -- Orig.	0	0	4,243	1	5
Feature Group C -- Term.	0	0	4,019	1	6
Feature Group D -- Orig.	9,577	4,196	1,923	1	7
Feature Group D -- Term.	16,711	6,242	272	0	8

### OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	21	1
Sheath miles of plant - buried	318	2
Sheath miles of plant - fiber optics	34	3
Strand miles of plant - fiber optics	780	4
Route miles of plant - microwave	0	5

### SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	13	53	1
56 kbps	29	23	2
64 kbps (DS0)	8	15	3
1.54 Mbps (DS-1)	18	10	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

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Description of Item (a)	Amount (b)	
Sheath miles of plant - aerial	21	1
Sheath miles of plant - buried	318	2
Sheath miles of plant - fiber optics	34	3
Strand miles of plant - fiber optics	780	4
Route miles of plant - microwave	0	5

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	13	53	1
56 kbps	29	23	2
64 kbps (DS0)	8	15	3
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SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**SERVICE DATA**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	1,281	1,387	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	1,328	1,496	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks			9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)	6	6	12
Pay Telephone	128	127	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other			19
<b>Total Business Lines</b>	<b>2,743</b>	<b>3,016</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	6,325	6,665	22
2 Party			23
4 Party			24
FX-Out (Switched)		0	25
Other			26
<b>Total Residential Lines</b>	<b>6,325</b>	<b>6,665</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>9,068</b>	<b>9,681</b>	<b>28</b>
Company Used Lines	65	66	29
<b>Total Lines Used</b>	<b>9,133</b>	<b>9,747</b>	<b>30</b>

**SERVICE DATA (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	1	1	3
WATS Lines - 800 Service	0	0	4
FX-In-intraLATA	21	21	5
Special Access-intraLATA			6
(expressed in equiv. access lines)		0	7
Special Access-interLATA			8
(expressed in equiv. access lines)		0	9
Feature Group A Lines	0	0	10
Feature Group B Trunks	32	32	11
Feature Group C Trunks	0	144	12
Feature Group D Trunks	743	691	13
TSPS - Trunks	25	81	14
EAS - Trunks	324	486	15
Cellular Trunks (Pub. Sw. Net.)		0	16
Video Distance Learning			17
- discounted (special tariff)		0	18
<b>Customers</b>			
Business - 2 Party Customers		0	20
Business - 4 Party Customers		0	21
Residential - 2 Party Customers		0	22
Residential - 4 Party Customers		0	23
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			25
Wire Fac. Assets (based on physical location of plant)	12,561,829	13,111,991	27
Total Company Square Miles	75	75	28
Total Company Route Miles		0	29
Footnotes			30

**SERVICE DATA - END OF YEAR**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1730				1
<b>Business</b>					2
1 Party	1,387				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	1,496				6
Centrex Trunks	---CONF---				7
Centrex Lines					8
Key System Trunks					9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	6				12
Pay Telephone	127				13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	0				15
Pay Stations - Public	0				16
- Semi-Public	0				17
- Cust. Owned	0				18
Other					19
<b>Total Business Lines</b>	<b>3,016</b>	<b>0</b>	<b>0</b>	<b>0</b>	20
<b>Residential (Incl. Emp. Concess.)</b>					21
1 Party	6,665				22
2 Party					23
4 Party					24
FX-Out (Switched)	0				25
Other					26
<b>Total Residential Lines</b>	<b>6,665</b>	<b>0</b>	<b>0</b>	<b>0</b>	27
<b>Total Bus &amp; Res Lines</b>	<b>9,681</b>	<b>0</b>	<b>0</b>	<b>0</b>	28
Company Used Lines	66				29
<b>Total Lines Used</b>	<b>9,747</b>	<b>0</b>	<b>0</b>	<b>0</b>	30

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	1730				1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS	1				3
WATS Lines - 800 Service	0				4
FX-In-intraLATA	21				5
Special Access-intraLATA					6
(equiv. access lines)	0				7
Special Access-interLATA					8
(equiv. access lines)	0				9
Feature Group A Lines	0				10
Feature Group B Trunks	32				11
Feature Group C Trunks	144				12
Feature Group D Trunks	691				13
TSPS - Trunks	81				14
EAS - Trunks	486				15
Cellular Trunks (Pub. Sw. Net.)	0				16
Video Distance Learning					17
- discounted (special tariff)	0				18
<b>Customers</b>					19
Business - 2 Party Customers	0				20
Business - 4 Party Customers	0				21
Residential - 2 Party Customers	0				22
Residential - 4 Party Customers	0				23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	13,111,991				27
Exchange Square Miles	75				28
Exchange Route Miles	0				29
Footnotes	E				30

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4



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Electronic--Digital	D	3
Electronic--Video	V	4

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	ELKHORN	ELKHORN			1
PSCW Exchange ID	1730	1730			2
Central Office Name	ELKHORN	LAUDERDALE			3
PSCW Central Office ID	1	2			4
Manufacturer of COE (Page 54)	NEC	NEC			5
Year COE Installed	1991	1991			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	S	S			8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0	0			10
COE Generic Software Release No.	4.0	4.0			11
SS7?	Yes	Yes			12
9-1-1?	Yes	Yes			13
Access Lines - In Use	7,171	2,576			14
- Equipped	8,256	3,992			15
- Wired	9,024	4,352			16
Trunks - In Use	1,562	206			17
- Equipped	1,728	720			18
- Wired	2,160	720			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	No	No			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	89	12			25
DS-3 - In Use	5	1			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	No	No			31
- In Use (# lines) <sup>1</sup>	0	0			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	188	60			33
No. of fiber strands working (LIT) in C.O.	20	4			34
No. of fiber strands for interoffice use	48	24			35
Miles of fiber sheath in wire center	23	11			36
Access Tandem Serving this C.O.:					
- C.O. Name	ELKHORN	ELKHORN			37
- PSCW C.O. ID	1730-01	1730-01			38
Does this C.O. do access tandem switching?	Yes	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	No	No			41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

Response received 11/10/99

Item 1: concur (never received Jan. 15, 1998 letter)

Item 2: No affiliated agreement. It is not anticipated services will exceed threshold.

Item 3: noted

Item 4: noted

Item 5: reluctant to agree DS1 is equal to 24 access lines. Recommend database make the calculations needed for the conversion.

Item 6: Did not receive 1997 review letter. Provided payphone entries (entered into 1997 annual report).

Item 7: Have been using depreciation rate that would fully depreciate central office equipment by end of 1999. Ok per CEM

Item 8: Data is not available from company records.

Item 9: \$50,786 is reclassification between Digital Switching Equipment and Circuit Equipment. Remainder of adjustments are due to rounding.

Item 10: Do not have a method of tabulating route miles.

Item 11: noted

ele

October 25, 1999

Mr. Jerry Guetschow, Assistant Treasurer  
State long Distance Telephone Company  
216 West Walworth Street  
P.O. Box 230  
Elkhorn, WI 53121-0230

Re: 1998 Analytical Review DWCCA-5680-ELE

Dear Mr. Guetschow:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. In a letter dated January 15, 1998, concerning the 1996 annual report, staff inquired concerning the status (e.g., active, terminated) of the affiliated interest agreement between the utility and SLD Cellfone, Ltd. in docket 5680?AT?102. Further review of the Commissions Case Management System reveals that this affiliated agreement has been terminated. Please note that no further response is necessary concerning this item.

2. No docket number is shown for the "FROM" activity for SERVICES and WSLD on page 15 of the report. Please state whether the "FROM" activity is addressed by the affiliated agreements for "TO" activity for each affiliate in dockets 5680?AT?100 and 5680?AT?101, respectively. If affirmative, please confirm that the appropriate docket number should be

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

inserted in each cell. If this is not the case, please be aware that if an activity exceeds the threshold noted in Wis. Stat. § 196.52, amendment of the existing agreement(s) or notice of a new affiliated interest agreement(s) must be provided to the Commission within 30 days of the effective date of the agreement.

3. In the future, please provide the page numbers for the confidential annual report, or the text "as agreed to with the PSC" in the box entitled "Description and subject matter of documents" on the Confidentiality Request form.

4. During our review, we noted that you have not provided the Listing of Schedules with Confidential Locks. Please note that this schedule is required. In the future, please file this schedule.

5. During our review of the Listing of Edit Check Results, we noted the intraLATA and interLATA chan. terms. reported on the Special Access Circuits in Use schedule, page 49, do not agree with the Special Access IntraLATA and Special Access InterLATA reported on the Service Data schedule, page 50 and an explanation was not provided. Please furnish an explanation, or corrected schedules. Please note that both these schedules are filed under confidential treatment.

6. During our review, we could not locate correspondence regarding the review of your 1997 annual report. However, one relevant matter appears to be outstanding. In 1997, it was requested that item 8 of the Important Changes During the Year schedule, page 13, be used to disclose the journal entry(ies) recorded on the telcos books and date of such journal

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### Schedule Footnotes

#### Telecommunications Plant in Service Class A & B (Sub-Class Accounts) Footnote. Page 24

Transfers & Adjustments - Reclassifications and Balance Adjustments

#### Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) Footnote. Page 30

Pursuant to agreement with PSCW staff, the property and nonproperty net deferred operating income tax detail and activity is not required for the 1998 annual report. The total amounts for accounts 4340 and 4361 are included in the Balance EOY column in order that the Balance Sheet schedules may be populated with the appropriate end-of-year balances for these accounts.

#### Distribution of Salaries and Wages Footnote. Page 46

For the year 1998 salaries and wages are reported in total on line # 5 "All Other Accounts"

#### Telephone Calls and Minutes of Use Per Month Footnote. Page 47

Data is not available to prepare this schedule.

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### Schedule Line Footnotes

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### Schedule Line Footnotes

**A) Transfers   /   Adjustments**

**B) Network Operations Expense:**

Increased \$87,006 from 1997 to 1998 due to increased labor and opearating costs, and the continuing costs to update our outside plant maps.

**C) Access Expense:**

The 1998 increase of \$37,832 is because the Federal and Wisconsin Universal Support contributions previously charged to General & Administrative Expense has been changed to Access Expense for 1998, per FCC & PSC order.

**D) Customer Operations Expense:**

Pursuant to agreement with PSCW staff, this change is not material.

**E) Exchange Route Miles:**

Route miles of outside plant are not available from Company records.

**F) Local Service Revenue:**

Revenues increased \$303,211 from 1997 to 1998 due to a \$272,000 rate increase that went in to effect in December 1997, and continued access line growth.

**G) Adjustment**